



2 August 2022

STATEMENT OF CONFIRMATIONS

Dragon Mountain Gold Limited (ASX: DMG) (ACN 111 005 282) (**Company**) provides the following confirmations to satisfy conditions for the reinstatement of the Company's securities to quotation on ASX.

Capitalised terms in this announcement have the same meaning as given under the Company's prospectus dated 16 June 2022 (**Prospectus**) unless the context otherwise requires.

Completion of the Public Offer

The Company confirms that all conditions to the Public Offer under the Prospectus have been satisfied and the Company has reached the Minimum Subscription and has issued 79,800,000 Shares at an issue price of \$0.02 per Share to raise \$1,596,000.

Working Capital

The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in the Prospectus.

No legal, regulatory or contractual impediments

The Company confirms that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

Compliance with Listing Rules

The Company confirms that it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1.

Current Activities and Proposed Business Strategy

The Company's business model is focused on achieving exploration success and discovery of a potentially economic mineral deposit capable of being developed in Australia and is currently targeting gold.

The Company has commenced exploring the Avalon Project and the Cawse Project, taking advantage of substantial historic datasets and integrating these with the latest exploration techniques and mineralisation models.

The Company does not consider the Broad Arrow Applications to be material to its business model on the basis that the underlying tenement have not yet been granted and there is no certainty that they ever will.

The Company will also continue to assess and review other opportunities for tenement applications or acquisitions that are deemed appropriate or in the interests of Shareholders, the Company may expand its tenure holdings around its existing Projects or in other areas inside or outside Western Australia.

During the Quarter ending 31 March 2022, the Company continued working towards meeting the requirements for Listing under ASX Listing Rule 12.1 with a view to being reinstated to trading on ASX.

On 27 January, the Company announced that it had earned a 25% interest in each of the Cawse and Avalon Projects.

On 1 February, the Company announced the results of its drill program at the Avalon project. The Company completed 29 Reverse Circulation (RC) holes for 3,055m testing the first Bulk Leach Extractable Gold (BLEG) anomaly. The Company will now rework the modelling and revise targets for the next stage.

CAPITAL STRUCTURE

The capital structure of Dragon Mountain Gold Limited (ACN 111 005 282) (**Company**) as at the date of reinstatement of the Company to the Official List of the ASX is set out below.

Securities on Issue	Number
Shares currently on issue	393,671,665
Options currently on issue	Nil

STATEMENT OF COMMITMENTS

(Based on actual funds raised of \$1,596,000)

Dragon Mountain Gold Limited (ACN 111 005 282) (**Company**) intends to apply funds raised from the Public Offer over the first two years following re-admission of the Company to the official list of ASX as follows:

Funds available	Minimum Subscription (\$)	Percentage of Funds (%)
Cash reserves (as at 30 June 2022)	\$356,000	18.2%
Funds raised from the Offer	\$1,596,000	81.8%
Total	\$1,952,000	100%
Allocation of funds		
Exploration at Cawse Project ^{2,3}	\$450,000	23.1%
Exploration at Avalon Project ^{2,3}	\$650,000	33.3%
Expenses of the Offer ⁴	\$127,824	6.5%
Working capital ³	\$324,176	16.6%
Administration costs ⁵	\$400,000	20.5%
Total	\$1,952,000	100%

Notes:

1. Refer to the Financial Information set out in Section 6 of the Prospectus for further details.
2. Refer to Section 5.5 of the Prospectus and the Independent Technical Assessment Report in Annexure A of the Prospectus for further details with respect to the Company's proposed exploration programs at the Projects.
3. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,
 the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following Reinstatement.
4. Refer to Section 10.6 of the Prospectus for further details. Broker Fees have reduced to Nil.
5. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Further information with respect to the Company's proposed use of funds is set out in Section 5.6 of the Prospectus.

The Directors are satisfied the Company has sufficient working capital to carry out its objectives as stated in the Prospectus.

PRO FORMA BALANCE SHEET
(Based on actual funds raised of \$1,596,000)

Statement of Financial Position	30/06/2022 (Unaudited and Unreviewed) \$	Pro forma Adjustments \$	Pro forma balance \$
Current Assets			
Cash and cash equivalents	356,000	1,596,000	1,952,000
Trade and other receivables	37,692	-	37,692
Total Current Assets	393,692	1,596,000	1,989,692
Non-Current Assets			
Exploration and evaluation assets	402,745	-	402,745
Property, plant and equipment	2,760	-	2,760
Right-of-use assets	45,655	-	45,655
Total Non-Current Assets	451,160	-	451,160
Total Assets	844,852	1,596,000	2,440,852

Statement of Financial Position	30/06/2022 (Unaudited and Unreviewed) \$	Pro forma Adjustments \$	Pro forma balance \$
Current Liabilities			
Trade and other payables	1,349,227	(1,006,823)	342,404
Short-term lease liabilities	107,757	-	107,757
Insurance Premium Funding	-	-	-
Total Current Liabilities	1,456,984	(1,006,823)	450,161
Non-Current Liabilities			
Long-term lease liabilities	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	1,456,984	(1,006,823)	450,161
Net Assets / (Liabilities)	(612,131)	2,602,823	1,990,692
Equity			
Issued Capital	33,081,803	2,602,823	35,684,626
Accumulated losses	(33,693,934)	-	(33,693,934)
Total Equity	(612,131)	2,602,823	1,990,692

Notes:

The proforma adjustments include the following items:

1. Increase Cash and cash equivalents by the amount of the capital raise of \$1,596,000.
2. Reduce Trade and other payables by the amount of \$1,006,823 which represents the debt that was recently converted to equity as approved by Shareholders.
3. The expenses of the Offer are accounted for in the above table in the trade and other payables balance.

This announcement has been authorised by the Board of the Company for release.

For further information:

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